

CEPAL

REVIEW

NUMBER 52

APRIL 1994

SANTIAGO, CHILE

ANIBAL PINTO

Director of the Review

EUGENIO LAHERA

Technical Secretary



UNITED NATIONS

CONTENTS

Income distribution and poverty through crisis and adjustment <i>Oscar Altimir</i>	7
New directions for public management <i>Eugenio Lahera</i>	33
The petrochemical and machine tool industries: business strategies <i>Daniel Chudnovsky, Andrés López and Fernando Porta</i>	49
Productivity, growth and industrial exports in Brazil <i>Regis Bonelli</i>	71
Export processing in the Caribbean: the Jamaican experience <i>Larry Willmore</i>	91
Price elasticity of Central American agricultural exports <i>Alberto Gabriele</i>	105
Ecuador: the country's progress from chronic to moderate inflation <i>Luis I. Jácome Hidalgo</i>	115
New strategies of transnational corporations in Argentina <i>Bernardo Kosacoff and Gabriel Bezchinsky</i>	129
The informal sector and poverty in Latin America <i>Guillermo Rosenbluth</i>	155
Regionalization processes: past crises and current options <i>Sergio Boisier</i>	177
A cultural view of the ECLAC proposals <i>Fernando Calderón, Martín Hopenhayn and Ernesto Ottone</i>	189
ECLAC and neoliberalism: An interview with Fernando Fajnzylber	205
Guidelines for contributors to <i>CEPAL Review</i>	209
Recent ECLAC publications	210

New directions *for public* management

Eugenio Lahera

*Technical Secretary
of CEPAL Review.*

Consideration of the roles to be played by the public and private sectors in a country's development strategy naturally leads to an analysis of the public sector's main orientations regarding both its own actions and the establishment of a regulatory framework for the performance of certain types of activities. These orientations are expressed through public policies, i.e., the courses of action followed by the public sector in pursuance of a more or less well-defined objective. The administration, made up of the various government ministries and departments, is what provides the institutional underpinnings for this sector's direct and indirect participation in the development strategy. Viewing the matter from another vantage point, we can say that public policies are being implemented when the public sector's management of material and non-material resources is done in such a way as to move the country in the direction indicated by those policies. If the public sector's participation in the development strategy is to be evaluated on the basis of its results, then such management is the main link in the chain. It is management that determines the concrete expression of the selected courses of action, and their outcome will depend on its effectiveness and efficiency. The following article seeks to provide some guidelines for the reform of public management as it relates to policy design, the need for various types of institutional changes, more efficient expenditure patterns and improved human resources management, more widespread use of certain management tools and mechanisms, attention to and satisfaction of the needs of consumers, the management of public enterprises and modalities for their privatization and regulation, and the refinement of policy overseeing and evaluation functions.

I

The reform of public management

1. Why this is necessary

The reasons for reforming the way in which a government is managed may be summarized as follows. One reason is that, because the public sector has highly important roles to play in any development strategy involving social participation, failure to consider the question of management may have markedly adverse social consequences. Some policies may either not be implemented at all or may be applied only partially owing to failings in the area of management, or there may be idle or even redundant management capacity. If the public sector's management is inappropriate in terms of either its quality or its orientation, simply increasing the supply of resources will not guarantee optimum results.

A second reason is that the public sector, in its present form, suffers from limitations whose elimination could have the effect of increasing the sector's contribution to the common good. These limitations have to do with various administrative matters and some aspects of personnel and wage policies; the design, management and evaluation of government policies; the service provided to public-sector consumers; and the management of public-sector enterprises. Public institutions function within the framework of the type of organizational culture associated with the traditional State, which is more concerned with procedure than with results. Frequently, however, these shortcomings are partially offset by the spirit of public service exhibited by many civil servants.

A third reason is that the stock of human and financial resources (including, among the former, resources that have a bearing on the ability to govern) will always fall short of what is required by the wide range of tasks at hand, and steps must therefore be taken to optimize their yield. Regardless of the level of public expenditure, its effects will depend on the way it is managed.

2. Approaches

There are a variety of opinions as to the best way to conceptualize public management reform.

One school of thought is formed by the macro-reformists, whose analyses focus on a goal that has never yet been achieved: the attainment of a stage of State reform at which the State's organizational structure has been brought completely up to date and its administrative statutes have all been fully corrected. In addition to being formalistic, this approach is politically naive: things do not work that way in government.

Then there are the quantitative modernizers, who believe that the most important thing is to increase the supply of certain inputs and resources: more computers, higher salaries, broader career paths for civil servants. This approach runs the risk—inherent in any bureaucracy—of failing to take account of the Sisyphean nature of the tasks involved and of encouraging civil servants to indulge in exercises of self-justification. A larger supply of resources will not, in itself, guarantee optimum results.

Another approach, however, is gaining ground. It focuses on public policy management, and while it acknowledges the obvious need to rationalize the structure of the State and to upgrade the quality of its human resources and material inputs, its emphasis is on considerations relating to the design, management and assessment of meaningful groupings of governmental courses of action in regard to specific issues. It holds that it is on the basis of this flow of information and action that problems in the structure and management of the public sector should be ranked and resolved.¹

The concept of public administration refers to a structure, whereas the concept of public policy management refers to a process and an output; the former is a concept of stock while the latter is one of flow; administration is a concept of equilibrium, while policy management is a concept of dynamics.

This does not mean that public policy options are not determined by administrative considerations. The rigidity of the administrative apparatus often stands in the way of the modification of existing public policies or their replacement. Governmental administration also, however, plays a substantive role in

¹ See Lahera (1980) and Heclo (1972).

their implementation, especially when there is a great deal of room for the administrative exercise of discretionary authority. Hence the need for a number of public administrative reforms. Nevertheless, given the scarce supply of resources and the need to have a clear idea of the ultimate objective of public management reform, the concept of public policy takes on a great deal of importance in that process.

Once a decision is taken to give priority to this approach, it should be clearly understood that, in considering the issue of public management, it would be a mistake to think that each policy package—or even each individual policy—demands a special type of management. This is far from being the case; management is an issue that cuts across the spectrum in that it is relevant to all spheres of governmental action but cannot be confined to any one of them. Each sector does, certainly, have specific features of its own, but even these must be managed in accordance with general principles whose application may take a variety of forms.

The quality of governmental management hinges upon the clarity of its objectives, the quality of its organizational leadership, the level of training possessed by civil servants, transparency, flexibility, decentralization, specialization, and the separation of decision-making, executive and evaluatory functions, among other things. The homogeneity of management principles is an important factor in determining the quality of management as a whole.

3. Criteria

(i) *Realism.* Public management is making a transition from its earlier state of equilibrium to a new and as yet unattained configuration of objectives and instruments. It is evident that this form of management will be of an increasingly decentralized and regulatory nature (as opposed to the more centralized model in which the State is a direct supplier of goods and services) and that this process will lead to a new definition of administrative and bureaucratic roles as well as to greater functional differentiation of the agents responsible for putting these new approaches into effect. The public sector will be smaller and more specialized, public-sector supply will be diversified, and, given the presence of a number of different suppliers, the sector's demand will be characterized by an increasing degree of "privatization of choice" and "joint financing".

The transition to a modern State will call for a knowledge of the entire range of different elements

that are a factor in today's public sector, above and beyond any sort of voluntarism or ideology. It will be necessary to recognize the various levels of the transition and to manage them efficiently without departing from the broad thrust of the transition process (Lahera, 1992).

ii) *Selectivity.* The ability to govern is a scarce good whose utilization should be prioritized, and the public sector should therefore develop a selected—and, hence, limited—set of public policies. The true power of the State lies in its effectiveness, and this is measured not only by the amount of State action, but also by the quality and coherence of such action.

(iii) *Emphasizing results.* Within the sphere of public management, there is a tendency towards a new sort of pragmatism that stresses results rather than actions, outputs rather than inputs, and policy implications rather than policy tools (Jacobs, 1992). Hence the importance of timely assessments.

(iv) *Recognition of diversity.* The modernization of public management should be based on an awareness of the fact that such modernization will heighten its diversity. The chief argument against assuming that public management is homogeneous derives from real-world situations. The issues entering into such management are extremely varied, as are the degrees of participation and types of roles which the public sector plays in the various markets.

(v) *Responsible autonomy and decentralization.* Both of these qualities should be promoted in the widest possible range of sectors and should be coupled with responsible management, performance standards and clearly-defined objectives and incentives.

(vi) *Flexibility.* Flexibility is an essential characteristic of a reformed public sector, as is only fitting for an organization whose job is to process and act upon information: what is needed is a public sector that receives inputs and generates outputs in the form of initiatives, structures and functions; a consensus-building State that works with the private sector and social organizations; a public sector whose fiscal apparatus is flexible and has a relatively low level of rigid, set expenditure; and a decentralized State that deters the politicization of disputes.

(vii) *Greater transparency.* In order to increase the effectiveness and efficiency of public policies, more transparent mechanisms need to be used for public-sector operations and for those activities in which the public sector's participation is important (e.g., social services).

II

Policy recommendations

1. Improved public policy analysis and decision-making

A medium-term strategic perspective is needed that allows for an appropriate blend of the political and technical dimensions of public policy. To this end, a "road map" for governmental management needs to be institutionalized and then periodically evaluated and updated. Prospective analysis should become a formally-constituted routine in the management functions of the Executive branch.

a) *Formalization*

The system for the formalization of public policies and the development of legal or administrative initiatives needs to be improved. This is a particularly important stage in the process because it is here that policy-makers devote their attention to various specific aspects or parts of many different policies. Consideration of the various ministries' annual goals offers an opportunity to examine an extremely varied range of policies.

In order to make use of that opportunity, intra-sectoral and inter-ministerial coordination must be consolidated so as to create or strengthen the technical and operational capabilities of a Presidential Secretariat and of ministerial committees for particular sectors.² An independent technical advisory unit also needs to be established within the Legislative branch to provide support, in particular, for the debates conducted within parliamentary committees or commissions. Another step in this direction would be the consolidation of an external market of policy analysis capabilities in which both public and private suppliers could participate. Formal academic institutions and various types of non-governmental organizations are valuable sources of alternative policy analysis (Paul, Steedman and Sutton, 1989).

² As a possible alternative, close attention should be paid to Bolivia's recently-initiated experiment of creating three "super-ministries": the Ministry of Economic Development, the Ministry of Human and Social Development, and the Ministry of Sustainable Development, in addition to the more traditional types of ministries such as those of the Interior, Foreign Affairs, Justice, Labour, Defence, the Presidency and Social Communications.

b) *From ministerial to inter-ministerial goals*

Government ministries' goals relate to the priority tasks or programmes which they and certain types of autonomous agencies plan to conduct in the following period. These goals or tasks are not determined solely on the basis of each ministry's particular sphere of action, but also reflect due consideration of inter-ministerial areas of endeavour defined in accordance with a specific programming criterion.³

The establishment of inter-ministerial goals can help to make the decision-making process more efficient as well as to identify the needs that may exist in terms of coordination and support for major programmes. Such goals facilitate the monitoring of performance levels and help to provide a picture of the work being carried out by the Government at any given point in time. They also contribute to the identification of bottlenecks or other obstacles (including conflicts) hindering their achievement, the formulation of inter-ministerial legal initiatives, the designation of directors for projects and programmes designed to achieve ministerial or inter-ministerial goals, and the identification of emerging goals and objectives whose attainment may suffer from delays. In addition, they facilitate the evaluation of public policies both in the course of their implementation and—even more importantly—once their implementation has been concluded. Finally, the relationship between the formulation and design of inter-ministerial goals constitutes a valuable input for the preparation of the proposed budget for the coming year.

In order for all this to come about, inter-ministerial goals should refer to precisely-defined and, if possible, quantified objectives, and the specific responsibilities associated with each goal should be clearly outlined: the designation of project and programme directors should be formalized, and the necessary co-determination of goals and of the funding required to achieve them should take place at a level higher than that of each ministry.

³ In the case of Chile, these areas are: political affairs, the economy, economic and social affairs, infrastructure and production development (Chile, Ministerial Office of the Presidency, 1993).

c) *Increased participation and consultation*

The State should promote efforts to incorporate social demands into the design of integrated social development projects and to increase the links among organizations representing the interests of groups in society which have benefited least from the modernization process; to enhance the ability of State agencies that take decisions regarding the use of public resources to process the demands of such groups; and to develop links between the political system and the agents and demands of the populace. The coordination of efforts with non-governmental organizations would be very helpful in the formulation of social policies for small-scale units, both because of the links already established by these organizations with such groups and because, in the course of their work in the field, the experts from these organizations have learned to devise strategies for mobilizing human resources, encouraging participation and motivating the community (ECLAC, 1992).

A system of political parties of high political and technical level is needed, in order to add together and balance the demands of different social agents. The relationship between such parties and the Government could be formalized to some degree so as to define what kind of influence they would have with the Executive in cases where this is not spelled out by the Constitution.

Considering the subject from another angle, users should be routinely consulted regarding the quality of public management and its results. Consultation with the private sector should also be systematized, to which end efficient counterparts are needed on both sides.⁴

2. Desirable institutional changes

a) *The role of ministries*

Generally speaking, government ministries should not act as executive administrative bodies; instead, it should be their job to propose and evaluate policies and plans, to study and propose standards and regulations to be applied in the sectors under their authority, to enforce those standards and regulations, to

allocate resources and to oversee the activities of their sectors.⁵ A systematic effort should be made to ensure a reasonable degree of autonomy and decentralization for government ministries, while also providing a clear definition of their powers and responsibilities.⁶

In order to avoid conflicts of interest, the new institutional blueprint should separate the following functions: (i) policy-making, planning, the proposal of standards and regulations, and the assessment of programme implementation; (ii) the implementation of programmes and projects, and the utilization and administration of facilities and services; (iii) the regulation, supervision and control of business activities; (iv) the evaluation of investments; and (v) budgetary allocation and control (Bitrán, 1993).

b) *Improved coordination*

The traditional ministerial structure is often unable to deal with the complexities of public management. A large number of equally ranked ministries cannot be expected to function well or creatively; their responsibilities need to be clearly defined, and coordination among them needs to be improved. A progressive form of coordination of government ministries in line with broader objectives than those pursued by each individual ministry may provide a practical means of overcoming their fragmentation and thereby strengthening and hierarchizing public management.

One interesting example of coordination is to be found in Chile, whose coordination scheme includes inter-ministerial committees as the usual and preferred forum for the analysis of issues whose scope exceeds the bounds of any single ministry and for the exchange of information among ministries that perform similar or interrelated functions. These committees are provided with technical support units.

⁴ Some Asian countries that have achieved excellent growth rates have consultative committees of businessmen, government officials, journalists, labour representatives and academics. These bodies provide a formally-constituted channel of communication for private-sector representatives and public-sector officials through which they can reach consensus regarding policy initiatives.

⁵ An interesting case in this connection is that of Sweden, where public management is highly decentralized. There, the main job of government ministries, with the help of a small team of experts, is to define strategies and evaluate policies. The task of operational management is delegated to agencies whose directors enjoy a considerable measure of freedom of action. These directors are appointed for a term of several years and are judged by their results (see Stoffaers, 1992).

⁶ The main feature of the reforms proposed for the British civil service in 1988 was the creation of service agencies which would have a wide range of action in implementing public policies once their objectives and budgetary resources were determined by the relevant ministerial bodies (see HMSO, 1988).

National commissions have also been set up to address subjects that extend beyond the jurisdiction of individual ministries or, for a given period of time, to tackle critical problems that cannot be dealt with by any one ministry. In addition, working groups composed of under-secretaries and senior officials have been formed for predetermined periods of time to pursue specific objectives, one of which is usually the screening of relevant information for decision-making purposes.

c) *Decentralization and deconcentration*

Decentralization –a process which is under way in almost all the countries of the region– has raised serious administrative and financial problems in most cases.⁷ In order for this process to be successful, there must be a genuine transfer of decision-making power to the local level as well as adequate funding, and the necessary management capacity must be assured at the regional and local levels.

The regional and municipal levels of management need to be greatly strengthened through efforts involving both the public and private sectors (e.g., via participation in development corporations or associations) in order to reconcile the progress and consolidation of the relevant processes with the demands of a sound, coherent economic and financial policy at the national level, with due consideration for sectoral priorities and quality standards in project assessment and management as well as other areas. Special attention should be devoted to budgetary decentralization in order to avert local financial imbalances. To do this, the resources needed to fund specific programmes of local scope should be handed over to the municipalities; billing procedures should be improved and the job of tax collection should either be streamlined or turned over to an outside organization; the national-level common municipal treasury should be administered with greater transparency; and the portfolio of delinquent municipal debts should be auctioned off, among other measures. The automatic allocation of a certain percentage of the national budget to the municipalities would be a step in the direction of greater financial autonomy for that level of government. One financial option that would avoid some of the problems mentioned above would be to work towards a nationwide standardization of

taxes and to divide up tax revenues according to a pre-determined formula (Rivlin, 1991).

From a political standpoint, it is essential that local governments should have the institutional capabilities to assume their new responsibilities. Representative bodies, armed with sufficient authority and funding, are therefore needed. It is also usually advisable to set up a regional development council composed of elected representatives of groups reflecting the interests of businessmen, workers, professionals and the common citizens. Regional or municipal governments can also set up or participate in non-profit foundations or corporations to promote and disseminate artistic and cultural activities.

Decentralization also requires a clear delineation of the jurisdictions of the different levels of the administration, not only by sector, but also as regards their functions in relation to each governmental service in terms of regulation, planning, implementation, funding, overseeing and evaluation. The relationships among the various levels and the nature of the roles of the intermediate or regional levels also need to be clearly defined, while there should also be a specific indication of which level should act as a back-up in the event of a failure on the part of the level that bears principal responsibility for a given function.

Mayors should be elected directly by the members of their constituencies in order for the accountability of the executive within the municipal government to be clearly established. The minutes of the community council meetings should be made public, and the municipalities should develop information systems as well as schemes for allowing the public to voice its opinions and for holding regular consultations with different organizations and sectors.

In a country's main macro-regions, consideration should be given to the possibility of establishing governments at the metropolitan-area level.

In the event of some sort of crisis in specific areas within a country, there needs to be a national consensus regarding the way in which those cases should be dealt with and the types of steps that should be taken. The same is true of issues arising at the nexus between regional and sectoral matters, when it becomes necessary to respond to needs in distressed areas of activity that have a strong influence on the regional economy.

Finally, deconcentration should include the delegation of authority to territorially-based and

⁷ See, for example, Ribeiro (1993) and Crowther (1990).

function-based bodies, the delimitation of jurisdictions and the establishment of an operational plan for their transfer, the creation of dispute settlement procedures, and arrangements for the relocation of some activities.

3. Increasing the efficiency of public expenditure

a) *Improving resource allocation*

The establishment of a better system for the evaluation of public investments is a prerequisite for sound allocation of public expenditure. In addition, project evaluation methods should gradually be applied to the allocation of all public resources, including areas other than investment and infrastructure.

The Government's budget should be its main fiscal policy tool and should therefore be strengthened in macroeconomic terms on a systematic basis. Debates on this subject within the Legislative branch should also be institutionalized; it might be particularly helpful to present medium-term fiscal projections along with the budget proposal at the time of its submission in order to outline the main options and commitments that will be faced in the area of public finance in the coming years. It is also wise to lay down clearly, as a permanent principle, that the total sum of current expenditure approved in the budget represents an upper limit that cannot be exceeded unless express authorization to do so is granted by law (Marcel and Vial, 1993).

The annual budget exercise should be modernized. A zero-base budget could be established for various sectors, with emphasis on programme budgeting and budgeting by programme objectives. The starting point for discussions on this subject should be the establishment of an exact sum, and during the process of deciding how to allocate that sum, it should be made clear that any increase in one item will require a matching decrease in another.

One subject of major importance is the linkage of ministerial goals to budget levels. The annual budget exercise should emphasize the use of programmatic budget items, since this may make possible various means of reducing budgetary inertia. The budget should be based on programmes with specific goals that lend themselves to evaluation, and it should be backstopped by an information system that provides a coherent flow of data from the operational to the decision-making levels.

The basic principles of such a budgetary system include fiscal discipline, which involves the place-

ment of limits on public expenditure and the regulation of sources of fiscal finance; comprehensive coverage, facilitated by regulatory and procedural centralization for all the relevant public agencies so as to ensure fiscal governability and forestall the creation of unexpected quasi-fiscal deficits; sufficient flexibility to adjust the pace of budget performance without impairing legally-mandated budgetary guidelines; and the establishment of a central fiscal authority, to be responsible for the administration of public finances and to ensure that spending does not exceed the corresponding ceilings as they are adjusted to conform to macroeconomic realities.

b) *Improving financial performance*

The level of efficiency in the use of public resources will be determined by project evaluation, management quality and ongoing supervision of management functions during the budget performance cycle so that departures from established goals and objectives may be promptly detected. It will also depend on prompt and efficient ex post evaluation of programmes in progress. A special unit should be responsible for maintaining efficiency and should carry out in-depth spot checks of the efficiency of expenditure in given offices or agencies.

The financial performance of public policies should be as transparent as possible, so that it may be evaluated in a timely fashion. To that end, a minimum set of simple measurements capable of generating meaningful indicators should be used. The submission of annual reports on the effective achievements of the various public institutions should be encouraged.

4. Improving human resources management

Recognition of the high status of public service should be reinforced. Reforms should be implemented with the participation of public-sector workers rather than without their involvement or in the face of their opposition.

a) *Modernization also means diversity*

This principle leads to a number of conclusions about the institutional structure and about public-sector wage and personnel policies. Rather than advocating or accepting a growing but unrealistic idea that the public service is the same in all cases, flexible

systems need to be brought into widespread use that will permit the necessary degree of differentiation. Examples of such systems include recruitment based on competitive examinations; performance ratings that focus on merit and merit-based promotion; differentiated measures to strengthen civil service training, for which accredited institutions would be contracted; and productivity bonuses. Consideration might also be given to the introduction on a very limited scale of extra allowances for special responsibilities.

The legal provisions relating to civil servants should also be made more flexible in order to permit more accurate classification of public-sector personnel and to facilitate specialized training in the various types of agencies. In the case of officials acting as regulators, their salaries should not be substantially lower than those received by the professionals or executives working in the sectors they regulate.

Within the overall policy framework of the civil service, steps could be taken to do away with statutory manning tables and set the number and type of staff by executive order instead.

b) *Directorial staff*

The most recent organizational theories underscore the importance of directors' and supervisors' personal qualities and especially their leadership ability, in the modern sense of the term, which involves *inter alia* their ability to provide clear guidance, to work as part of a team, to delegate responsibilities, and to take account of personal situations. The political affiliation of the persons occupying key positions in the civil service should be regarded as secondary to the above-mentioned features.

c) *Human resources management*

Consideration should be given to the possibility of using a system of recruitment based on competitive examinations, performance ratings that focus on merit, and merit-based promotion. Steps must be taken to ensure the recruitment into government service of young people who are outstanding in their fields, without, however, diminishing the professional diversity that is so necessary within the public sector. It is important for the sector to be of a multi-disciplinary nature, and this may be adversely affected if recruitment activities are focused too narrowly on a limited number of university schools. The need for merit-based promotion mechanisms should also be considered (Boeninger, 1993).

d) *Training*

Upgrading of civil servants through training—provided by accredited institutions under contract—could be combined with productivity bonuses and accelerated career promotion paths, as well as with speedy procedures for dismissal in cases warranting such action. In a State in transition, it is essential that executive and management staff should be provided with ongoing training.

e) *Remunerations*

The problem of public-sector wages and salaries is often more a question of structure than of insufficiency. The distortions within the sector need to be eliminated, along with the wage gap sometimes found between comparable jobs in the public and private sectors. To this end, consideration should be given to the possibility of introducing transparent incentive schemes, highly specific special duty assignments and the addition of tax-free wage components for some personnel performing key tasks.

The establishment of performance-based wage differentials in the public sector poses a number of practical problems. One of these problems is the difficulty of defining what "good" performance is and of measuring the marginal product of an individual, since the value created by that individual is often inseparable from the value generated by others, or is attributable to external factors. In addition, service activities are often difficult to quantify. Another foreseeable problem is the "inflation" of job performance ratings. Nevertheless, such an approach might well lead to a more accurate definition of individual functions and create a stronger link between them and broader objectives (Maguire and Wood, 1992).

f) *Labour relations*

In-house communications are highly important, but their effectiveness is far from being assured in organizations suffering from the negative aspects of verticality, where communications obey the law of gravity and thus usually flow from the top downward. A purely hierarchical relationship between directors and their staff may inhibit innovation and the development of a commitment to public service, may lead to a generally passive attitude and, as a result, may discourage personnel from trying to become more efficient. Lateral communication among different functions is necessary in order to prevent the creation of personal fiefdoms. One way of ensuring

communication from the bottom up is to maintain an open-door policy whereby any written communication will bring a response in the form of an investigation conducted by an independent unit not forming part of the hierarchical structure to which the originator of the communication belongs (Maisonrouge, 1991).

For the proper operation of the government service, it is essential that civil servants should play a part in determining the terms and conditions of their employment; this practice appears to be considerably more limited in the developing world than in developed countries (Ozaki, 1988). Developing countries often stick to the principle of unilateral decision-making as regards the terms of government employment. Where the civil service unions are strong, however, consensus-based methods frequently come into use (often in what might be described as grey areas of the relevant statutes or even sometimes outside the established rules). It would seem better to confront the problem head on and to solve it through the establishment of appropriate legal provisions (ILO, 1988). One crucial issue is that of government employees' right to strike, which needs to be regulated in a very specific manner.⁸ An important objective of participation mechanisms should be the rational and peaceful settlement of disputes and reconciliation of conflicting interests between workers' groups and the administration.

5. Bringing different management mechanisms and tools into general use

a) *Management tools*

Some basic management tools need to be brought into general use. These include such practices as computerization, cost-centre organizational schemes, programme costing, and the use of quantitative indicators and measurements of yield and productivity.

In order for the State to discharge its allotted tasks successfully, it needs to have at its disposal

computerized data processing capabilities, network hook-ups and access to databases around the world that contain information needed for development (technical data, information on markets, weather, etc.). Steps in this direction should be based on a careful definition and selection of sources, recipients and interlocutors so that public management may be improved on a manageable, relevant and priority-conscious basis. Major informatics programmes should be based on a proper baseline analysis of existing needs, after which standards and terms of reference should be formulated for each contract that is to be put up for bidding.

Working jointly with each chief of service, objectives or targets should be defined and a yearly evaluation of the performance in respect of each of them should be prepared; this evaluation would then serve as a basis for acknowledgements of merit, promotion or removal. Performance agreements are a useful tool in this connection.⁹ This type of instrument should differentiate between a unit's mission, its general guidelines, its specific objectives, its targets for a predetermined period, and the steps necessary to achieve them.

One innovative intra-ministerial form of organization that makes it possible to improve management quality involves the creation of the post of general director for technical and financial matters. Such a post would rank just below the most senior level of the ministry and would be similar in level to that of a general manager. Its operational features would permit its occupant to coordinate different projects and to make proper arrangements for such projects with the relevant internal and external authorities and institutions.

Most countries have posts whose occupants answer directly to the President and who work closely with him. It would be advisable to put an end to the practice of using appointments to these posts to pay off political favours, so as to make available instead a potentially important source of flexibility and renewal of the government service. Such posts could then be given to officials whose selection has been based on considerations of excellence.

⁸ The position taken by the ILO is that only those services whose interruption might endanger the life, safety or health of all or part of the population should be prohibited from going out on strike. Workers whose right to strike is restricted in any way should be compensated by means of appropriate, impartial, fast-acting procedures for reconciliation and arbitration and should be allowed to take part in the various phases of those processes. Compliance with the resulting settlements should be mandatory for both parties, and such settlements should be executed fully and promptly (ILO, 1983).

⁹ These are also known as programme contracts or management contracts (see Maristela de André (1993)).

Outsourcing makes it possible to concentrate on the central functions of each institution, to determine its actual costs and, perhaps, to reduce them. This approach is as yet in its early stages, however, and its substantive limits have yet to be determined. At the start, this division of labour was between the various stages of the production or administrative process, but there is now a growing tendency for it to be used within each stage as well.

Public service contracts are awarded to a firm for the establishment, construction and operation of the facilities needed in order to provide the service in question. Such contracts are often granted for an indefinite period, and the contract holder becomes the owner of the concession. The contractor's obligations include fulfilment of the necessary conditions for the provision of the service, its quality and compliance with government standards. In the event that the concessionaire fails to fulfil the obligations set forth in the contract, the State may impose fines or, in extreme cases, declare the contract null and void.

It has been argued that the authority calling for bids on a government service should not insist that bidding be competitive in cases where a portion of what the potential concessionaire has to offer is the result of an original idea (which may or may not be presented for consideration). Complementary policies include the reimbursement of bidders for the costs incurred in preparing their bids and respect for the intellectual property contained in such proposals. In any event, the public sector has a great deal of preparatory work to do if it is to encourage a steady flow of private project proposals. Co-financing policies are another type of instrument that may contribute to the private funding of public services.

The regulations and obligations to which firms are subject should be clear and transparent. From another standpoint, as one of various cost-reduction incentives, it is also essential to have projections of the ideal efficiency levels of a hypothetical firm for use as a frame of reference.

A regulated form of competition promises to be a factor of increasing importance in satisfying the social demands of people who, as individuals, cannot gain access to a given good or service or can only do so under onerous or inappropriate terms and conditions. The main policy recommendation to be derived from this concept is that employers and employees—or other groups—should join together to form large-scale sources of demand and receive bids from a number of different suppliers that are competitive in

terms of both price and quality.¹⁰ With regard to environmental protection, more widespread use should be made of tradeable emission permits, the total number of which should be gradually reduced.

b) *More transparent mechanisms*

These mechanisms cover such practices as contracting outside organizations; differential user charges including non-transferable subsidies for access to services or goods supplied on a competitive basis; the delimitation of public property rights to ensure a clear definition of responsibilities; greater flexibility for managers in apportioning professional staff resources; obligatory competitive bidding; the separation of purchasing agencies from supplier organizations and of project design bodies from executing agencies; intra-governmental cost recovery; competition for funds; and outsourcing.¹¹ Bidding systems might include the mechanism used by the electronic stock exchanges, which would entail prior clearance of products to be put up for bid later on.

Incentives should be proportionate to the specific ends sought and should constitute an efficient means of achieving those ends. Therefore, they should not be excessively high or granted for indefinite or very long periods of time but should instead be precisely targeted and temporary. Furthermore, performance requirements should be limited in number and precise in terms of the aims pursued.

The enforcement of various types of regulations should be transferred to private agents in both service and goods-producing sectors.

6. Improving service to consumers

a) *Consumers' interests*

Users should be guaranteed that the public services they receive will be of a satisfactory quality. In cases where the quality of such services falls short, some means of inspection must be established and a progressive schedule of specific quality targets must be set.¹² The State should be liable for any damage or injury caused by its management or its failure to

¹⁰ This concept was developed by Alain Enthoven and Paul Ellwood, acting as consultants to the State of Wyoming in the United States. See *Wall Street Journal*, 2 November 1992.

¹¹ In this connection see Davies (1992) and Lacasse and McGlynn (1992).

¹² Regarding Spain's experiences in connection with the quality of health services, see Ruiz (1993).

provide services, apart from any liability that may correspond to the public officials in question. To that end, a competitive fund might be established to which various public services could submit upgrading projects for financing. Institutions serving as defenders of the consumer should expand their research and information activities to include the public sector.

Information offices assist users in asserting their right to submit requests, suggestions or complaints. They should also assist users carrying out formalities in public entities and should respond to their complaints and suggestions. There is a minimum set of elements which are necessary for transmitting information and providing guidance, including forms, plans or maps, signs or symbols, directories, manuals and mail services, etc. In cases where there is a large-scale demand for standardized services, computer programmes could be designed to handle the proper routing of complaints through multiple telephone lines.

b) *Simplification of formalities*

The agencies working in each field should make an ongoing effort to simplify their rules, regulations and procedures. Regulations and practices should be outlined and made known to the users of the various public services so that difficulty in understanding those rules and procedures does not constitute an access barrier. Each procedure and management function should be structured so as to conform to the flow of information.

One way of creating more efficient management mechanisms is to make the necessary changes within each service so that users can deal with a single service window.

7. Improving the management of public enterprises

Enterprises which are not economically viable in the long term, perform development functions satisfactorily or are politically necessary for the State may continue to belong to the State and be administered efficiently by it. Reforms to ensure greater effectiveness and efficiency should be undertaken immediately in this limited number of firms.

In the case of companies that operate in imperfect markets or that perform social functions, an effort should be made to design and set up a subsidiary

regulatory structure as a basis for a subsequent analysis of the advisability of privatizing such firms.

Flexible management, operational decentralization and relative autonomy, combined with a prudent measure of planning and controls together with more and better investment, make up the strategic framework for public enterprises. The objective is to maximize the profits such firms generate for furthering national development, on sustainable terms. Although very difficult to achieve, there is a very necessary point of optimum balance between the autonomy and accountability of public enterprises. This can be facilitated by good information systems, the existence of objectives that can be translated into quantitative indicators, and the existence of some sort of body that will oversee and evaluate their performance (Shirley, 1989).

Public-sector production activities need to be performed by autonomous enterprises that are equipped with efficient price-determination mechanisms and include profit maximization among their main objectives. This implies the abandonment or delimitation of non-economic or redistributive objectives in the operation of such companies. When feasible, they could well compete with one another as well as with private-sector firms. In the financial sphere, an effort could be made to achieve greater autonomy and transparency by moving towards the elimination of subsidies or, when necessary, modifying their magnitude and duration.

The articles of association of public-sector enterprises should also be amended so that they can operate more like private corporations run by a board of directors who will retain their seats on the board only if certain targets are met. They should be autonomous bodies whose operations are independent of whatever administration may be in office at any given time, and they should meet reporting requirements at least as stringent as those applying to open limited companies. They should also be able to operate just like other companies in key respects and should not reject the development of new businesses in partnership with private-sector agents. Progress towards such an objective would be facilitated by putting an end to their dependence on various ministries or departments.

Public enterprises should operate autonomously and their owners should assert their rights through a board of directors, whose members should be appointed on the basis of technical considerations for

terms in keeping with the needs of the firm; their management and financial duties should be clearly and strictly defined, and political considerations should play no part in any of this. Boards of directors should be subjected to evaluation, and the executives of public firms should be accountable to the State for their results and goals.

An investment policy tailored to each firm's strategic planning scheme should be established for several years ahead and should not be a part of the debates on the budget which take place each year. From now on, it should be the policy of public-sector companies to draw upon the wealth of the national and international financial markets in order to secure the funds needed for their development, thus giving the private sector an active, preponderant role in financing their growth by setting up joint ventures with national and foreign capital as well as other types of partnerships (Méndez, 1993). In order to do so, however, these firms must put together a portfolio of projects that will enable them to take advantage of the opportunities that arise. For its part, the State should make sure that the firms have access to direct or indirect financing for the investments needed to meet the requirements inherent in any viable project: a rate of return in excess of the opportunity cost of the capital used, consistency with corporate strategy, and the maintenance of a strategically competitive position.

In the area of corporate responsibilities, performance agreements are a valuable tool for clarifying quantifiable objectives which the public firm commits itself to achieve within a specified time period. Through such agreements, a firm pledges to attain certain objectives with regard to economic results, physical production, productivity, quality of service, etc. in exchange for a commitment from the Government to provide the necessary financing and to compensate the firm for its obligatory performance of non-commercial activities in the public interest. The criterion of the additionality of private investment should be systematically applied.

Such measures facilitate separation of the roles of owner and manager and make it possible to simplify controls and processes which are external to the firm and to redirect them towards the analysis of results. In addition, they help to reduce the power of interest groups which try to pressure public enterprises into taking on roles that run counter to those explicitly agreed upon with the owner.

8. Carrying out the necessary privatizations properly

There are firms that pose no problems regarding regulation of the market, long-term profitability as private firms, or other matters that might justify their continued ownership by the State. In such cases, the government should proceed with their privatization, using procedures that will ensure that their sale will be transparent and will not be prejudicial to the public interest or their workers; the end result should be more rather than less competition.

In each case, the rate of privatization should be such that its benefits will outweigh its costs. The movement of enterprises or activities out of the public sector calls for a combination of a realistic approach that obviates the risk of losses or non-transparent asset transfers and the steady progress afforded by a clearly-defined course of action.

A number of general principles need to be taken into account in order to conduct the necessary privatization operations properly (Devlin, 1993). Various conditions need to be present in order for the process to be a transparent one: access to information, clearly-defined subsidies, a specified destination for the revenues generated by divestiture, an *ex post* evaluation, disclosure requirements, rules regarding conflicts of interest and an appropriate pace.

In order to maximize prices, it may be necessary to make various estimates of the firm's value, to restructure it before its sale, to make a public call for bids when preparing to contract the banks that are to act as agents, to sell to the highest bidder with very limited regard for considerations other than that of efficiency, to sell off stock in small blocks, to demand payment in cash, and to reserve a special share package for the public sector.

Viewing the process from a different angle, consideration should be given to the possibility of using the revenue from privatization for special allocations to social funds. In addition, comprehensive support mechanisms are required to assist employees of public enterprises who are made redundant.

It is also important to have an effective regulatory scheme that incorporates pre-existing regulatory systems; impersonal, direct, clearly-defined and technically sound standards and rules that take into account the need for a dynamic form of efficiency, autonomy of regulatory bodies and the need for sufficient funding of their staff; and a legal framework for

the settlement of disputes that includes appropriate sanctions and the review of the regulatory scheme over a set period.

9. The need for regulations conducive to competition

Unlike the situation in most developed countries, in the region any attempt on the part of the State to play a preventive role in safeguarding free competition is subject to serious constraints. Modifications in market structures to ensure or promote free competition, as well as limitations on the purchase of enterprises or on vertical or horizontal integration schemes with the same object, usually do not enjoy the legitimacy needed for the development of an efficient market economy.

Regulation is generally designed to deal with market imperfections or to make up for the absence of a given market; it follows that its aim should therefore be to create conditions as close as possible to those of the market for the operations of the firms involved, for consumer protection and information, and for the regulation of price rates and the quality of service (Jacobs, 1992). Regulation should send out correct signals and provide the proper incentives to promote efficient resource allocation.¹³ Since this is not a perfect substitute for a correct industrial structure, however, competition is preferable to regulation wherever possible. In any event, regulation, when used, should be directed towards the promotion of competition.

Proper regulation keeps discretionary elements to a minimum or eliminates them altogether, particularly with regard to pricing, while at the same time generating automatic mechanisms that heighten the regulatory provisions' flexibility and efficiency. Overseeing the operation of the regulatory system is a job that the public sector cannot delegate to any other agent. This supervisory function should be based on similar criteria for all the various sectors in order to ensure that, while recognizing relevant differences, it is of a non-discriminatory character. It would also appear to be desirable for the various regulatory processes to be simplified or made to correspond with one another in so far as the specific features of each area permit. Where there are a

number of sectoral regulatory agencies, they should also be brought together in a public utilities regulatory commission, for in spite of the technical differences that exist from one sector to the next, they have numerous factors in common as regards the regulatory process, its objectives and assessment.

The State's regulatory capacity must necessarily be founded upon the existence of a suitable policy framework, high-level technical teams and an institutional structure capable of ensuring the regulators' effectiveness. Regulatory activities should be guided by clearly-defined, pre-established rules and, in the more crucial areas, the decisions of regulatory bodies should be subject to appeal: for example, to an anti-trust authority.

As is also true in the case of privatizations, in order to attain the chief aim of deregulation, which is to promote competition, it is best if the relevant sector or enterprise is restructured before the deregulation process is begun. Regulation should only be undertaken if it seems apparent that the distortions produced by it will be more limited than those generated by the market operating on its own. Competitive activities should be separated from those that continue to display monopolistic characteristics in order to forestall cross-subsidization and avoid protecting inefficiency. The scales of charges adopted should send out correct pricing signals to consumers while at the same time encouraging efficiency and self-financing.

Following deregulation, corporate mergers should be analysed with special care, since they could put an end to the competitive situation that deregulation sought to create. They may also give rise to agreements aimed at suppressing competition, which must naturally be prevented. Deregulation can also, however, lead to mergers that promote more efficient allocation of resources, and it is clearly important to distinguish between the two situations (OECD, 1992).

10. Refining policy monitoring and assessment

Improving evaluation capacity is a pivotal component of reforms aimed at boosting operational efficiency. Without accurate assessments, it is impossible to provide incentives or to delegate responsibilities and grant autonomy in a proper fashion. Evaluations cannot, however, take the place of an informed public debate (although they can make a

¹³ See Sappington and Stiglitz (1987) and Hay (1993).

contribution in that respect), nor can they be used as substitutes for the necessary political or administrative decisions, although they can help place the decision-making process on a more rational level of discussion.

a) *Ex-post evaluations*

Ex-post evaluations¹⁴ of both substantive and operative aspects of public policies should be undertaken on a routine basis (Booth, 1989). Assessments of effectiveness focus on results; assessments of efficiency look at the way in which the State's means of taking action are applied in practice. *Ex-post* evaluation permits an accurate analysis of the level of efficiency, facilitates its improvement at the margin by detecting shortcomings and suggesting other solutions, and permits the generation of information regarding the results and the most efficient manner of achieving the proposed objectives.¹⁵

There are at least two types of evaluations. The first is an in-depth evaluation which includes an analysis of policy objectives and options. The second type focuses on management aspects and has more limited aims.

In order to facilitate the evaluation of public policies, it is wise to use a systematic form of policy formulation, to try to ensure that analyses performed prior to the adoption of decisions and the results of *ex-post* evaluations complement each other, and to include the revocation of the policy in question among the options of the evaluation process (France, Commissariat Général du Plan, 1986).

It is also necessary to define the expected policy outputs increasingly clearly and to develop indicators that will contribute to that end.¹⁶ Given the wide range of different objectives and the lack of any universally accepted criteria for assessing public management, progress needs to be made in the specification of quantitative and qualitative indicators. These indicators should include such aspects as economic factors (the cost of inputs), efficiency (the

input/output ratio), effectiveness (the extent to which outputs contribute to the achievement of established objectives), quality of service (user satisfaction) and production.^{17 18}

The public sector should provide relevant, current information on its fiscal management, as should individual public enterprises. The accounts maintained by public agents should be up to date and subject to outside audits.

A routine procedure should be established for the evaluation process; it should include the methods to be used, the public availability of its conclusions and the types of options to be considered.¹⁹ Those responsible for preparing the evaluation should be at liberty to redefine the questions to be answered so as to convert them into hypotheses that may then be tested. The evaluation team should be of a multidisciplinary nature and its membership should provide a guarantee of its independence and competence.

The evaluation of public enterprises should begin with an examination of their profit statements; a number of adjustments should then be made for such factors as, for example, whether some internal (private) costs contribute to the public welfare (e.g., taxes). Shadow prices must also be used, since public and private valuations differ. The focus should be on the analysis of trends rather than levels, and changes in quantity should be distinguished from changes in price (Jones, 1991).

¹⁷ In this regard, see Tironi and others (1992). Numerical indicators may include the following: operational or production costs, percentage of error or of rejects, market share, reduction in processing time, complaints as a percentage of customers served, staff turnover and employee absenteeism. There are, of course, other possible indicators of user satisfaction that could be derived from survey data (Tironi, 1993).

¹⁸ A law recently passed in the United States regarding government performance and results provides that the directors of Federal agencies must submit five-year strategic plans in which they set forth performance targets for their programmes of activities. In addition, yearly progress reports must be submitted to the Executive and to Congress; these reports must present performance indicators, specify the stage attained by each programme and make a comparison with the goals contained in the plan for the relevant fiscal year (*El Diario*, 1993).

¹⁹ In France, a committee of ministers selects the policies that are to be evaluated. The resulting proposal is submitted to a scientific council for evaluation, which subsequently issues its findings regarding the proposal's feasibility. This same council also presents its views regarding the quality of the proposal. Finally, the committee of ministers takes whatever decisions it deems appropriate once the evaluation has been completed (Trosa, 1993).

¹⁴ See Lahera (1980).

¹⁵ An interesting case in this regard is the reasoned evaluation of public policies conducted by the General Accounting Office in the United States.

¹⁶ In late 1985 the United Kingdom decided that all proposals intended for submission to the Government or ministerial commissions must be accompanied by detailed information on their objectives, possible delays, implementation costs and methods for their evaluation.

The budgetary rationale upon which evaluations are based should be explicitly stated, and finance ministers should either take evaluation initiatives themselves or process other ministries' requests for evaluations (Perret, 1993). Experience has shown that it is impossible to prepare an evaluation without going into the matter of financial management, without providing training for senior personnel and without adequate organization. Each ministry should have some sort of unit that serves as the institution's memory and can help in the definition of operational objectives (Rouban, 1993).

b) *Ongoing parallel evaluation*

An interesting possibility would be to create a public efficiency office or unit staffed by a small team of full-time professionals and linked to the Office of the President. The main purpose of such a unit would be to examine the efficiency levels of governmental sectors and to identify the steps needed to improve management and increase the effectiveness of the use of public funds.

c) *Monitoring*

In order to expedite policy implementation, verification of the legality of governmental action by the Office of the Comptroller (i.e., the constitutional and legislative review process) should be undertaken following, rather than prior to, policy adoption. To make this possible, it will be necessary either to

strengthen existing internal monitoring capabilities or to use the services of outside organizations. Whichever choice is made, governmental authorities must abandon the practice of expecting any problems that arise to be put right along the way by agents other than those responsible for the delays. The manager himself would therefore be accountable for his actions to the relevant authorities.

Review of the legality of administrative actions would be facilitated by the establishment of an efficient, specialized adjudicatory authority which could hear the complaints of those who feel they have been unjustly affected by administrative decisions.

d) *Improved inspection facilities*

The various inspection services should have the necessary flexibility and means to increase their effectiveness so that they can meet the increasingly complex demands associated with the process of inviting tenders for investment projects or awarding contracts for social development projects and their follow-up.

In some countries, the Legislature performs a supervisory role. If so, this function needs to be discharged in a way that is both genuine and effective but that does not represent so heavy a burden as to interfere with the job of managing public affairs.

The bodies responsible for the inspection of public services should be independent of the services to be inspected.

(Original: Spanish)

Bibliography

- Bitrán, Eduardo (1993): Criterios básicos del diseño institucional, Santiago, Chile, Ministry of Finance, *mimeo*.
- Boeninger, Edgardo (1993): Modernización del Estado, Santiago, Chile, January, *mimeo*.
- Booth, Simon A. (1989): *La gestion de l'innovation: un modèle général*, XXI International Congress of Administrative Sciences, Marrakesh, 24-28 July.
- Chile, Ministerio Secretaría General de la Presidencia (1993): Descripción de rutinas, Santiago, Chile, *mimeo*.
- Crowther, Warren (1990): La regionalización de los servicios gubernamentales: contradicciones inherentes, *Revista centroamericana de administración pública*, No. 18, San José, Central American Institute of Public Administration (ICAP), January-June.
- Davies, Howard (1992): *Fighting Leviathan: Building Social Markets that Work*, London, Social Market Foundation.
- De André, Maristela (1993): Contratos de gestão como instrumentos de promoção da qualidade e produtividade no sector público, *Revista indicadores da qualidade e produtividade*, year I, No. 1, Brasília, D.F., Instituto de Pesquisa Econômica Aplicada (IPEA), February.
- Devlin, Robert (1993): Privatizations and social welfare, *CEPAL Review*, No. 49 (LC/G.1757-P), Santiago, Chile, ECLAC, United Nations, April.
- ECLAC (Economic Commission for Latin America and the Caribbean) (1992): *Equity and Changing Production Patterns: An Integrated Approach* (LC/G.1701/Rev.1-P), Santiago, Chile, August.
- El Diario* (1993): 4 August, Santiago, Chile.
- France, Commissariat Général du Plan (1986): *Evaluer les politiques publiques*, May, *mimeo*.
- Hay, Donald (1993): The assessment: Competition policy, *Oxford Review of Economic Policy*, vol. 9, No. 2,

- Oxford, United Kingdom, Oxford University Press/Oxford Review of Economic Policy, Summer.
- Heclo, Hugh (1972): Review article: Policy analysis, *British Journal of Political Science*, January.
- HMSO (Her Majesty's Stationery Office) (1988): *Improving Management in Government. The Next Steps*, London.
- ILO (International Labour Organisation) (1983): Libertad sindical y negociación colectiva, Informe a la LXIX Conferencia Internacional del Trabajo, Geneva, mimeo.
- (1988): Los derechos de concertación, negociación y celebración de contratos colectivos en materia de determinación de salarios y condiciones de empleo en los servicios públicos, JCPS/4, Geneva, Comisión Paritaria del Servicio Público, mimeo.
- Jacobs, Scott H. (1992): Controlling government regulation: A new self-discipline, *The OECD Observer*, No. 175, Paris, Organization for Economic Co-operation and Development (OECD), April-May.
- Jones, Leroy P. (1991): *Performance Evaluation for Public Enterprises*, Discussion Papers, No. 122, Washington, D.C., World Bank.
- Lacasse, François and Alison McGlynn (1992): A market for Government services?, *The OECD Observer*, No. 176, Paris, OECD, June-July.
- Lahera, Eugenio (1980): Evaluación instrumental de políticas públicas, *Revista de administración pública*, No. 6, Santiago, Chile, University of Chile, December.
- (1992): *Estado y desarrollo. Un enfoque de políticas públicas*, "Contribuciones" series, No. 81, Santiago, Chile, Latin American Faculty of Social Sciences (FLACSO), October.
- Maguire, Maria and Robert Wood (1992): Private pay for public work?, *The OECD Observer*, No. 175, Paris, OECD, April-May.
- Maisonrouge, Jacques (1991): La gestion des ressources humaines dans les grandes organisations privées et publiques, *Revue française d'administration publique*, No. 59, Paris, International Institute for Public Administration, July-September.
- Marcel, Mario and Joaquín Vial (1993): Elementos de política fiscal macroeconómica, Santiago, Chile, Ministry of Finance, mimeo.
- Méndez, Enrique (1993): Empresas públicas: hacia una definición del sector, in Eugenio Lahera (ed.), *Cómo mejorar la gestión pública*, Santiago, Chile, CIEPLAN/FLACSO/Foro 90.
- OECD (Organization for Economic Co-operation and Development) (1992): *Regulatory Reform. Privatization and Competition*, Paris.
- Ozaki, Muneto (1988): Relaciones de trabajo en la administración pública de países en desarrollo, in Muneto Ozaki and others, *Relaciones de trabajo en la administración pública. Países en desarrollo*, Geneva, ILO.
- Paul, Samuel, David Steedman and Francis X. Sutton (1989): *Building Capability for Policy Analysis*, WPS 220, Washington, D.C., World Bank, July.
- Perret, Bernard (1993): Réflexions sur les différents modèles d'évaluation, *Revue française d'administration publique*, No. 66, Paris, International Institute for Public Administration, April-June.
- Ribeiro, Carlos (1993): Crise fiscal em municípios: uma discussão teórica acerca de suas causas, indicadores e instrumentos, *Planejamento e políticas públicas*, No. 9, Brasília, D.F., Instituto de Pesquisa Econômica Aplicada (IPEA), June.
- Rivlin, Alice M. (1991): Distinguished lecture on economics in government: Strengthening the economy by rethinking the role of Federal and State Governments, *The Journal of Economic Perspectives*, vol. 5, No. 2, Nashville, TN, American Economic Association, Spring.
- Rouban, Luc (1993): L'évaluation, nouvel avatar de la rationalisation administrative? Les limites de l'import-export institutionnel, *Revue française d'administration publique*, No. 66, Paris, International Institute for Public Administration, April-June.
- Ruiz, Ulises (1993): Plan de calidad total en el sistema sanitario: gestión de la calidad total, *Revista indicadores da qualidade e produtividade*, año I, No. 1, Brasília, D.F., IPEA, February.
- Sappington, David and Joseph Stiglitz (1987): Information and regulation, in Elizabeth Bailey (ed.), *Public Regulation. New Perspectives on Institutions and Policies*, Cambridge, MA, MIT Press.
- Shirley, Mary M. (1989): *The Reform of State-Owned Enterprises*, Washington, D.C., World Bank.
- Stoffaes, Christian (1992): Le contrat de gestion comme moyen de moderniser l'Etat, *Revue française d'administration publique*, No. 61, Paris, International Institute for Public Administration, January-March.
- Tironi, Luis F. (1993): Indicadores da qualidade e produtividade: conceitos e usos, *Revista indicadores da qualidade e produtividade*, año I, No. 1, Brasília, D.F., IPEA, February.
- Tironi, Luis F. and others (1992): Indicadores da qualidade e produtividade: um relato de experiencias no setor público, *Texto para discussão*, No. 263, Brasília, D.F., IPEA, June.
- Trosa, Sylvie (1993): Un premier bilan de l'expérience française, *Revue française d'administration publique*, No. 66, Paris, International Institute for Public Administration, April-June.